

## Criticism of Staff Study #11

Use of Inducements or Pressures  
on Free World Countries in Support  
of US Econ. Defense Program

The whole paper is predicated  
upon a static situation, certainly  
not changed since NSC 162/3, if then.  
If the political situation should  
worsen substantially (or has worsened)  
presumably more drastic measures  
might be considered, as for example,  
if free world countries would not  
cooperate, we might embargo any  
member of ~~the~~ <sup>suspensions</sup> and/or cut off  
military assistance or a range  
of action in between, especially if  
war were threatening.

The present paper is based essentially  
on a cold war situation.

For Goodkind + M. George say the paper is flexible enough to allow for this.

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Messrs. Goodkind, George, Pollak, [REDACTED]

May 5, 1955

Irving I. Krauer, Executive Secretary  
Economic Defense Advisory Committee/EDAC

"Carrot and Stick" Paper

The attached "carrot and stick" paper, prepared in the Department of Defense in September, 1952, is being distributed to the Dodge Council Working Group members on the instruction of the Executive Committee Chairman.

Attachment

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